Background Information on Port Authority of New York and New Jersey

Established in 1921, the Port Authority of New York and New Jersey ("Port Authority") is a bistate transportation agency covering 1,500 square miles centered around New York Harbor.¹ The agency's first projects included the modernization of the port district and the construction of bridges and tunnels to connect the two states. Later, its purview expanded to include operation of airports and transit systems, along with real estate ventures. Today, its portfolio of assets includes the Port Newark-Elizabeth Marine Terminal; the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; JFK, LaGuardia, and Newark Liberty Airports; the PATH rail transit system and Airtrain JFK; bus terminals; and the World Trade Center. Figure 1 on the following page includes a map of the Port Authority's facilities.

The Port Authority was formed through an interstate compact between New York and New Jersey, requiring Congressional approval according to the U.S. Constitution.² It is the first agency to be created through an interstate compact.³ The Port Authority is run by a board of twelve commissioners, including six from each state appointed by each state's governor and approved by each state's legislature. While the interstate compact defines the geographic scope and commissioners for the Port Authority, its voting procedures are determined by its bylaws.

The Port Authority is financially self-supporting and is able to issue bonds.⁴ Its 2014 budget includes \$4.4 billion in operating revenues. Roughly one-third of operating revenues come from tolls and fares, one-third from rental income, and the remaining third from aviation fees, parking fees, and other sources. Its budget also includes about \$3.7 billion in non-operating revenues, which come from bond proceeds, grants, airport Passenger Facility Charges, and other sources.

In sum, the Port Authority forecasts total revenues of \$8.2 billion in 2014. Operating expenses are expected to be \$2.8 billion, and include operations, security, maintenance, and other expenses. Operating expenditures also cover staffing costs for the Port Authority's roughly 7,000 employees, including over 1,800 police officers. The 2014 budget plans on \$4.4 billion in capital expenditures, over half of which are associated with the World Trade Center site.

¹ Port Authority of New York and New Jersey, "About the Port Authority: History of the Port Authority". http://www.panynj.gov/about/history-port-authority.html.

² U.S. Constitution, Article I, Section 10, Clause (3).

³ National Cooperative Freight Research Program, September 2011. "Web-Only Document 2: Multi-State Freight Transportation Organizations". http://onlinepubs.trb.org/onlinepubs/ncfrp/ncfrp-w002.pdf.

⁴ Port Authority of New York and New Jersey, "Proposed 2014 Budget". http://www.panynj.gov/corporate-information/pdf/2014-budget.pdf.



Figure 1. Port Authority Facilities

Source: Port Authority of New York and New Jersey, "Overview of Facilities and Services". Available online: http://www.panynj.gov/about/facilities-services.html. Accessed February 10, 2014.